



# INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

## Brazil Poultry Production and Exports

Brazil experienced all time records in production, exports and profit margins in 2001. Broiler production was up 10 percent due to record exports, devaluation of the Brazilian currency, increase in average slaughter weight, lower cost of production and improved productive capacity.

Total broiler meat (whole and parts) exports during Jan-Nov 2001 reached 1.1 million MT, up 35 percent from the same period a year earlier. The total value rose 58 percent to US\$1.2 billion. Exports of whole broilers were up 452 percent to Russia and 232 percent to Cuba. Parts exports were up 82 percent to the EU. Trade sources forecast broiler exports to increase 15 percent in 2002 and reach 1.430 million MT. Strong exports were due to a firm demand from the EU and Russia combined with exports to new markets in Eastern Europe, China and Africa.

Saudi Arabia is the largest market for Brazilian chicken meat. In 2001 35 percent of Brazil's chicken exports were shipped to Middle Eastern nations with a value of about US\$414 million. This was 36 percent higher than 2000. Saudi imports alone were valued at US\$240 million. A number of poultry companies are now producing Halal product in order to be more competitive. The Middle East has one of the highest per capita broiler meat consumption rates. Per capita chicken meat consumption in Saudi Arabia is 77 pounds, Kuwait is estimated at about 88 pounds in 2001.

### Poultry Meat Exports in '000 MT

	2000(r)	2001(p)	2002 (f)
Whole	473	582	653
Parts	476	732	847
Total	949	1,314	1,500

(r)revised, (p) preliminary (f) forecast

### Poultry Meat Production in '000 MT

	2000(r)	2001(p)	2002 (f)
Total	6,117	6,745	7,215

(r)revised, (p) preliminary (f) forecast

Broiler production is expected to increase 7 percent in 2002. Lower corn production in 2001 will result in higher production costs reducing profit margins in 2002. However, a strong US dollar should maintain Brazil's competitiveness in world markets even with increased production costs in 2002.

Turkey exports in 2001 reached about 65,000 MT, up 55 percent from 2000, due to higher demand for turkey parts from the EU and the competitiveness of Brazilian products due to the devaluation of the Real relative to the US dollar. Exports are expected to increase in 2002 due to firm demand from the EU. Production in 2002 is forecast at 175,000 MT, up 6 percent from 2001 and 28 percent higher than 2000.

Source: USDA/FAS, Agencia Brasil

## Mexico Announces TRQs

On December 27, 2001 the Mexican Secretariat of Economy (SE) announced the 2002 duty free poultry tariff rate quotas (TRQs) for U.S. poultry cuts under NAFTA. Mexico has granted duty-free imports of chicken leg quarters in excess of NAFTA TRQs to meet the strong demand in the border areas.

### 2002 NAFTA TRQs

HTS Codes	Item	MT
0207.13.99, 207.14.99	*Poultry parts	25,459.2
0207.13.02, 0207.14.03	Chicken carcasses	6,200.0
0207.35.99, 0207.36.99	Duck, goose or guinea cuts fresh, chilled or frozen	10.0
	Total	31,669.2

\*broilers or hen, fresh chilled or frozen

The SE also announced a unilateral (from the entire world) 2002 TRQ for imported turkey parts and whole ducks for 40,543 MT with a 10 percent duty. The SE will assign the turkey parts TRQ by direct allocation to the cold cut industries. The TRQ for whole ducks will be assigned by a direct allocation for 20 MT per company that can be increased as long as there is a balance. According to the industry, this type of TRQ has been in existence for several years but has never been used.

The 2002 Budget indicates that minimum and additional TRQs for U.S. turkey parts and mechanically deboned meat (MDM) under NAFTA will be reduced 10 percent from last year's level. The cold cut industry indicates that so far there is no domestic production of turkey cuts destined for the cold cut industry and very little production of MDM. Most of the input must be imported. Thus total NAFTA TRQs have not been enough to cover demand and the government has been issuing additional free-duty quotas over the NAFTA TRQ to the cold cut industry.

### 2002 NAFTA TRQs

H.T.S.	Item	MT
0207.26.99, 0207.27.99	Other (Turkey cuts and offals, fresh, chilled or frozen of birds from HTS 0105)	40,343
207.33.01	Ducks, geese and guineas, whole, frozen	200
	Total	40,543

### NAFTA MDM and Turkey Cuts, Total TRQs (MT)

Item	CY 2000	CY 2001	CY 2002	Original 2002 less 10%
MDM	134,423	147,710	132,939	34,203
*Turkey cuts	110,874	100,440	90,396	35,470
Total	245,297	248,150	223,335	69,673

\*for further processing, H.T.S Harmonized Tariff Schedule HTS 0105 - Live poultry of the following kinds: chickens, ducks, geese, turkeys and guineas.

Source: USDA/FAS

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Jan 12, 2002	Year-To-Date			
	2002	2001 /1	2002	2001
Liquid	353	108	486	199
Frozen	0	0	0	0
Dried	0	0	0	0
Total	353	108	486	199

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending Jan 12, 2002	Year-To-Date			
	2002	2001/1	2002	2001
Liquid	48	59	68	67
Frozen	75	18	81	21
Dried	48	25	48	25
Total	171	102	197	113

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Jan 12, 2002	Year-To-Date			
	2002	2001 /1	2002	2001
Jumbo	0	0	0	0
Extra Large	0	305	240	305
Large	250	500	1,499	2,840
Medium	0	0	110	0
Ungraded	0	750	0	3,750
Misc	66	0	66	787
Total	316	1,555	1,915	7,682

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

25-JAN-2002				
<b>CHICKEN</b>	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

PRICES				
(Cents per Pound)				

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	16.00-18.00	11.00-13.00	244,800	-
WTD AVERAGE	16.67	12.33		
15-20%				
RANGE	11.00-13.00	10.00-12.50	1,224,000	285,600
WTD AVERAGE	12.00	10.73		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 12-Jan-02  
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,974	1,378	3,352
LAST WEEK	1,436	1,171	2,607
SAME WEEK YR AGO	1,971	1,245	3,216
TO-DATE/2002	3,410	2,549	5,959
TO-DATE/2001	3,332	2,017	5,349

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	271	8	279
LAST WEEK	143	0	143
SAME WEEK YR AGO	500	13	513
TO-DATE/2002	414	8	422
TO-DATE/2001	962	13	975

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	2,245	1,386	3,631
LAST WEEK	1,579	1,171	2,750
SAME WEEK YR AGO	2,471	1,258	3,729
TO-DATE/2002	3,824	2,557	6,381
TO-DATE/2001	4,294	2,030	6,324

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

25-JAN-2002				
<b>CHICKEN</b>	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

PRICES				
(Cents per Pound)				

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	14.00-17.00	12.75-14.00	1,180,000	260,000
WTD AVERAGE	16.18	13.23		
15-20%				
RANGE	15.00-15.50	10.00-14.00	1,766,800	316,000
WTD AVERAGE	15.25	12.25		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 25 JANUARY 2002.**

Trade sentiment on tom breast meat was steady to instances weak, de strapped tenderloins steady to fully steady on fresh and mixed on frozen with some sellers more confident than others, and steady on the balance of white meat items. Demand was slow on fresh tom breast meat, improved on frozen with increased inquiry noted. The balance of white meat was light to fair. Domestic and export demand was light to fair on fresh 15-20% mechanically separated turkey, frozen slow. Export demand continued active on drums and thigh meat and improved interest was noted on full-cut wings and necks. For export: breeder drums 23, tom necks 24, and hen full-cut wings 26 cents delivered.

**FRIDAY, JANUARY 25, 2002****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	26.50-29.00		27.49	276	27.85	1,600
WINGS FULL-CUT - TOMS	25.00-26.00		25.59	384	26.08	648
WINGS, V-TYPE, TOM	29.00		29.00	40	29.00	40
TAILS	28.00		28.00	20	28.00	180
MECHANICALLY SEPARATED 4/	12.00		12.00	104	13.70	368
THIGH MEAT - FROZEN	59.00-63.00		60.26	588	60.96	2,328

**THURSDAY, JANUARY 24, 2002****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.00-31.75		27.91	940
WINGS FULL-CUT - TOMS	26.00		26.00	160
WINGS, V-TYPE, TOM				
TAILS	28.00		28.00	160
MECHANICALLY SEPARATED 4/	13.00-16.00		14.36	264
THIGH MEAT - FROZEN	57.00-64.00		60.95	1,532

**WEDNESDAY, JANUARY 23, 2002****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	27.00-29.00		27.94	384
WINGS FULL-CUT - TOMS	28.00		28.00	104
WINGS, V-TYPE, TOM				
TAILS		F	27.00	52
MECHANICALLY SEPARATED 4/				
THIGH MEAT - FROZEN	63.00		63.00	208

**TUESDAY, JANUARY 22, 2002****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	29.00	104
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	52
MECHANICALLY SEPARATED 4/				
THIGH MEAT - FROZEN		W	67.00	40

\*\*\*\*\*NOTICE\*\*\*\*\*

MONDAY, JANUARY 21, 2002

**EXPORT TRADING**

NO REPORT ISSUED DUE TO MARTIN LUTHER KING, JR. HOLIDAY

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

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**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Jan 19, 2002	Year-To-Date	
	2002	2001 /1
Liquid	249	91
Frozen	0	0
Dried	0	0
Total	249	91

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending Jan 19, 2002	Year-To-Date	
	2002	2001/1
Liquid	64	59
Frozen	79	26
Dried	120	15
Total	263	100

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Jan 19, 2002	Year-To-Date	
	2002	2001 /1
Jumbo	0	0
Extra Large	0	300
Large	0	1,540
Medium	1,050	750
Ungraded	0	0
Misc	0	0
Total	1,050	2,590

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**LIVE POULTRY SLTRD UNDER INSPECTION**

W/E 19-Jan-02

**(PRELIMINARY) U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,881	1,298	3,179
LAST WEEK	1,974	1,378	3,352
SAME WEEK YR AGO	1,787	1,376	3,163
TO-DATE/2002	5,291	3,847	9,138
TO-DATE/2001	5,119	3,393	8,512

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	423	0	423
LAST WEEK	271	8	279
SAME WEEK YR AGO	591	7	598
TO-DATE/2002	837	8	845
TO-DATE/2001	1,553	20	1,573

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,304	1,298	3,602
LAST WEEK	2,245	1,386	3,631
SAME WEEK YR AGO	2,378	1,383	3,761
TO-DATE/2002	6,128	3,855	9,983
TO-DATE/2001	6,672	3,413	10,085

SOURCE: USDA/AMS Poultry Programs, Market News Branch